GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:4582
ANSWERED ON:22.05.2006
IMPROVEMENT OF PERFORMANCE OF NFL
Sugavanam Shri E.G.

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the profit earned by National Fertilizers Limited (NFL) during the last three years;

(b) Whether the profit of NFL has declined drastically during 2005-06 in comparison with previous years;

(c) If so, the reasons therefor, and

(d) The steps taken by the Government to improve the performance and profit of NFL in the coming years?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF THE STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a): The profit earned by NFL during the last three years is as fellows:

	Pre tax Profit (Rs. in crore)	Post tax Profit (Rs. in crore)
2003-04	119.11	85.04
2004-05	214.55	160.91
2005-06 (Prvisional)	169.06	110.16

(b) & (c): The main reasons for the reduction in profit in 2005-06 as compared to the previous year were:
(i) The production in 2005-06 was lower because unlike 2004-05, the company was not allowed to produce in excess of 100 percent capacity in its FO/LSHS bases plants due to high cost of feedstock and comparatively cheaper cost of imported urea.
(ii) For 2004-05 maintenance shutdowns were deferred to enable higher production leading to higher maintenance/ catalyst costs in 2005-06.
(iii) Increase in Railway Freight led to higher freight expenditure.

(d): The performance of the Company is being regularly monitored through Quarterly Review Meetings. Special emphasis is being given on r{:duction of energy consumption. The Company is also proposing extra production over and above 100 percent capacity utilization from its Gas based Plants.

On a long term basis, revamp of Vijaipur - I and II Plants for capacity enhancement and energy reduction have been finalized. Studies have also been undertaken for changeover of feed stock in FO based Plants to Natural Gas depending upon availability and price of RLNG.